

EXHIBIT G

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ORACLE AMERICA, INC.,)
Plaintiff,)
vs.) No. CV 10-03561 WHA
GOOGLE, INC.,)
Defendant.)
_____)

-- HIGHLY CONFIDENTIAL, ATTORNEYS' EYES ONLY--

Videotaped deposition of IAIN M. COCKBURN, PH.D.,
taken at the law offices of Boies, Schiller &
Flexner LLP, 1999 Harrison Street, Suite 900,
Oakland, California, commencing at 9:41 a.m.,
on Monday, October 17, 2011, before
Leslie Rockwood, RPR, CSR No. 3462.

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1 phonescoop.com, which may list -- actually, let me -- let
2 me be careful in answering.

3 I think if you're -- as a consumer, if you're
4 interested in the performance of a phone, if you dig
5 around, you would be able to -- to find evidence as to 12:41:29
6 Linpack benchmarks of different phone models from various
7 sources.

8 Q. BY MR. PURCELL: Can you think of any of
9 those sources, as you sit here today?

10 A. I cite the sources that I use in my report. 12:41:58
11 Those are all publicly accessible -- publicly accessible
12 data sources.

13 Q. How does the econometric study support your
14 30 percent apportionment of the value of the starting
15 point to the patents-in-suit? 12:42:29

16 A. That's a broad question. I can try and give
17 you a --

18 Q. How do you get from the conclusions of the
19 econometric study to the 30 percent?

20 A. So I begin with this -- this regression 12:43:00
21 model, which -- which captures the effect of the
22 variation in the Linpack score, which, in my opinion, is
23 a good proxy for the user's perception of the speediness
24 of the phone in accomplishing various tasks.

25 They may not -- they may not measure it 12:43:23

1 directly, but I think that they -- there's a pretty close
2 correlation between such performance benchmarks and the
3 user's subjective experience of, does the phone do things
4 quickly or slowly?

5 That regression study gives me the ability to 12:43:40
6 ask the counterfactual question: If the phone was slower
7 by an amount, you know, suggested by my benchmarking
8 testing, you know, what impact would that have on their
9 maximum willingness to pay or their valuation?

10 So I'm able to come up with -- I can take 12:44:06
11 that, go to -- look at users who have bid on multiple
12 phones, eBay members who have bid upon multiple phone
13 models, and ask the counterfactual question: If the
14 Android phone in that set was 80 percent slower, as
15 suggested by this Linpack benchmark, what would 12:44:29
16 counterfactually have been their maximum willingness to
17 pay?

18 By comparing that to the prices prevailing in
19 these auctions for these models, I'm able to answer the
20 question: Had the phones been that much slower, how many 12:44:49
21 times would these users have, nonetheless, valued it in
22 excess of the price, and would they have, therefore,
23 bought it, or would it have -- their valuation have
24 dropped below the prevailing price, and would they,
25 therefore, have switched their purchasing decision to 12:45:13

1 another smartphone or to purchase what we call the
2 outside good, that is to say, another option, postpone
3 their purchase of a smartphone, go to something else.

4 Working through that, I'm able to develop a
5 counterfactual market share for the various smartphone 12:45:33
6 platforms in the United States. For me -- that has
7 implications for Google's profitability in distributing
8 advertising through the Android platform, in revenues
9 that it may get from the Android Market app store or from
10 the potential sale of handsets. 12:46:10

11 What I do is look at -- you know, knowing
12 market shares of different platforms and recognizing that
13 these platforms are differentially valuable to Google,
14 primarily for two reasons, one is the nature of the
15 revenue sharing agreements or what is labeled TAC, T-A-C, 12:46:38
16 Traffic Acquisition Costs, between the carrier and the
17 handset manufacturer and Google.

18 Also, because different platforms have what I
19 call different levels of web intensity. So the data
20 strongly suggests that people have a different propensity 12:46:59
21 to conduct searches on different platforms.

22 Taking those factors into account, you know,
23 I build a model which allows me to -- allows me to
24 compare Google's actual Android revenues with
25 counterfactual Android revenues. And it's that 12:47:19

1 comparison which -- which leads me to my basis for
2 apportioning payments for the -- under the starting value
3 license -- or under the hypothetical license for the
4 patents-in-suit.

5 Q. Your econometric study used a log likelihood 12:47:44
6 function; is that right?

7 A. Yes.

8 Q. Did you personally write the code, the
9 program code, for the log likelihood function, or did
10 somebody at Analysis Group do that? 12:47:59

11 A. We talked about Mr. van Audenrode earlier. I
12 don't know if he personally wrote the code or one of his
13 team in his office did it.

14 Q. Did you review the code before your opinion
15 report was filed? 12:48:15

16 A. No. I had some discussions with
17 Mr. van Audenrode about -- about if you like -- what this
18 code was going to do. I didn't sit and debug it myself.

19 Q. Did your review -- strike that.
20 The code was corrected before the filing of 12:48:35
21 your reply report; correct -- or modified?

22 A. That's correct.

23 Q. Did you review the modified code before the
24 filing of your reply report?

25 A. No. I satisfied myself as to what the 12:48:45

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1 STATE OF CALIFORNIA) ss:

2 COUNTY OF MARIN)

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4 I, LESLIE ROCKWOOD, CSR No. 3462, do hereby
5 certify:

6 That the foregoing deposition testimony was
7 taken before me at the time and place therein set forth
8 and at which time the witness was administered the oath;

9 That testimony of the witness and all
10 objections made by counsel at the time of the examination
11 were recorded stenographically by me, and were thereafter
12 transcribed under my direction and supervision, and that
13 the foregoing pages contain a full, true and accurate
14 record of all proceedings and testimony to the best of my
15 skill and ability.

16 I further certify that I am neither counsel
17 for any party to said action, nor am I related to any
18 party to said action, nor am I in any way interested in
19 the outcome thereof.

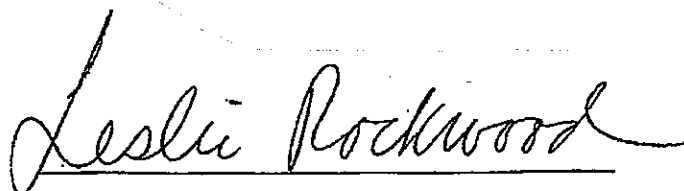
20 IN WITNESS WHEREOF, I have subscribed my name
21 this 18th day of October, 2011.

22

23

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25



LESLIE ROCKWOOD, CSR. NO. 3462